



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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September 18, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS: TERMINATE AND AWARD  
CONSTRUCTION CONTRACT  
CATCH BASIN CLEANOUT 2007, BALLONA CREEK WATERSHED  
BALDWIN HILLS AND WEST HOLLYWOOD  
(SUPERVISORIAL DISTRICTS 2 AND 3)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Terminate the award with California Building Evaluation and Construction, Inc., 1773½ West Lincoln Avenue, Anaheim, California 92801, for failure to execute the contract previously awarded to it by your Board, Catch Basin Cleanout 2007, Ballona Creek Watershed, Project ID No. FMD0003090, in the vicinities of Baldwin Hills and West Hollywood (2 and 3) in the amount of \$99,768.00.
2. Award the contract to the next lowest responsible bidder, Clean Environmental, Inc., 321 East 47th Place, Los Angeles, California 90011, in the amount of \$108,082.00.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

3. Authorize the Director of Public Works or his designee to seek recovery against California Building Evaluation and Construction, Inc., and/or its bid bond surety, in the increased amount of the second lowest bidder's bid.
4. Instruct the Director of Public Works or his designee to notify Clean Environmental, Inc., of the Board action taken.
5. Instruct the Director of Public Works or his designee to prepare the contract in the form previously approved by County Counsel, execute the contract, and establish the effective date of the contract.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On May 29, 2007, your Board awarded a contract for the cleanout of catch basins to California Building Evaluation and Construction, Inc., in the amount of \$99,768.00. On May 30, 2007, contract documents were sent to the contractor with instructions to execute the contract and return it along with insurance policies and certificates required by the specifications.

On July 26, 2007, we received a letter from California Building Evaluation and Construction, Inc., indicating they would not be able to complete the project.

The attachment includes the project description, the call for bids and bid opening date, a tabulation of the bids, and financial information. It is recommended that the contract be awarded to the second low bidder, Clean Environmental, Inc., in the amount of \$108,082.00.

#### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs that we provide Service Excellence (Goal 1) and Community Services (Goal 6). Completing the work contemplated by this contract will provide improved infrastructure to better serve the public and will enhance the quality of life in the affected communities.

#### **FISCAL IMPACT/FINANCING**

The recommended contract award amount of \$108,082.00 will have no impact to the County General Fund.

The attachment includes the amount of the recommended contract as compared with the engineer's estimate and the other bids received.

This project is included in the Fiscal Year 2007-08 Flood Control District Budget. The attachment includes more detailed fiscal and financial information.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Awarding to the second low bidder upon failure of the low bidder to properly execute the contract is provided for in the Public Contract Code.

On October 27, 1981, your Board adopted a program for the use of small Minority and Women-owned Businesses (MWBs) on Federal- and State-funded highway construction contracts. Companies meeting these requirements are certified by the State as Disadvantaged Business Enterprises (DBEs). Contracts are recommended for award to the lowest responsible bidder who meets the goal or documents a good faith effort to do so in conformance with the program.

The Department of Public Works has also developed an outreach program to encourage all qualified contractors to participate in the bidding and contracting process on their projects. Under this program, notices of upcoming bids are placed in local and minority newspapers throughout the County. These notices indicate that copies of plans and specifications are available at specified libraries and the Department of Public Works. This allows interested contractors to view the plans and specifications at convenient locations. They also provide telephone numbers (including one for Spanish-speaking contractors) to obtain further information on bidding and subcontracting opportunities.

To further increase contractor awareness of contracting opportunities with the Department of Public Works, each of these projects was listed on the County website for upcoming bids.

The State Labor Code requires contractors to pay prevailing wage rates to all persons employed on public works construction contracts. These rates are determined by the Department of Industrial Relations and include contributions for fringe benefits such as vacations, pension funds, training, and health plans for each employee.

As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws.

The contract will be in the form previously approved by County Counsel. The Department of Public Works will also review and approve the faithful performance and payment bonds filed by the contractors.

#### **ENVIRONMENTAL DOCUMENTATION**

This project was previously found to be categorically exempt from the provisions of the California Environmental Quality Act on April 17, 2007, Agenda No. 59.

#### **CONTRACTING PROCESS**

The Instructions to Bidders provides for the annulment of the award and the forfeiture of the proposal guaranty upon failure of the awardee to properly execute the contract.

The contract was solicited on an open competitive basis in accordance with the provisions of the Public Contract Code.

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

The Department of Public Works has confirmed that the contractor is in compliance with the County's Child Support Compliance Program and the requirements of the Contractor Employee Jury Service Program. In addition, the contract will include language requiring compliance with the Newborn Abandonment Law (Safely Surrendered Baby Law).

The project specifications also contain a provision that, should the contractor require additional or replacement personnel to fill employment openings, consideration shall be given to hiring qualified participants in the County's Greater Avenues for Independence or General Relief Opportunities for Work Programs.

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To ensure that the contract is awarded to responsible contractor with a satisfactory performance history, bidders are required to report False Claims Act violations, labor law/payroll violations, debarments, their civil litigation history, and information regarding prior criminal convictions. The information reported by the contractor was considered before making this recommendation to approve execution of the contract.

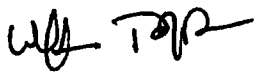
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This maintenance service contract will result in improved public works infrastructure in the communities where the work is scheduled.

**CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:DLW  
JTS:ss

Attachment

c: County Counsel  
Office of Affirmative Action Compliance

AWARD OF CONTRACT  
September 18, 2007

PROJECT ID NO. FMD0003090, CATCH BASIN CLEANOUT 2007, BALLONA CREEK WATERSHED (in the vicinities of Baldwin Hills and West Hollywood),  
Supervisory Districts 2 and 3

TYPE OF WORK: Clean out 8,314 catch basins at various locations in the County.

CALL FOR BIDS DATE: April 17, 2007 (Agenda No. 59)

BID OPENING DATE: May 15, 2007

BID SUMMARY:

Low	*Clean Environmental, Inc. 321 East 47th Place Los Angeles, California 90011	\$108,082.00
2	*+Ron's Maintenance	\$120,553.00
3	*+J & G Maintenance	\$128,867.00
4	*The Resource Collections	\$141,338.00
	*MWBE +LSBE	

This project was originally awarded to California Building Evaluation and Construction, Inc., on May 29, 2007, for \$99,768.00. However, California Building Evaluation and Construction, Inc., failed to execute the contract necessitating the termination of the contract.

FINANCIAL INFORMATION:

Amount of estimate	\$ 81,990.00
Amount of recommended contract	\$108,082.00
Amount of recommended contract above estimate	\$ 26,092.00

The amount of the recommended contract is 32 percent above the estimate.

Sufficient funds for this project are available in the Fiscal Year 2007-08 Flood Control District Budget.

MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE DATA:

Clean Environmental, Inc., has no MWBE subcontractors/suppliers under this contract.

ENVIRONMENTAL IMPACT:

On April 17, 2007, Agenda No. 59, your Board found this project categorically exempt.

CONSTRUCTION SCHEDULE:

The contract specifications require the work to be completed in 50 working days. It is estimated the work will start in October and be completed in December 2007.

JRP:ss